



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Faxed 1/15/99

January 15, 1999

Denise Dragoo, Resident Agent
Horizon Mining LLC
c/o Snell & Wilmer
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: Notice of Proposed Adjustment to the Bond Amount, Horizon Mining, LLC, Horizon Mine,
ACT/007/020, File #3, Carbon County, Utah

Dear Ms. Dragoo:

This letter serves as notification to you, as Resident Agent for Horizon Mining LLC, that the reclamation bond for the Horizon Mine has been reviewed by the Division and it has been determined that there is not sufficient contingency existing within the current reclamation bond to remove waste rock material from the mine site. It was further found by the Division that the current bond is not sufficient to reclaim the site. A full review of the bond is currently underway at this time. The operator will be notified in the future when this bond review is completed. Since the storage of waste rock at this site was not contemplated nor approved in the permit, the removal of waste rock from the site is not covered in the bond. The Division therefore requires that the bond be increased by \$40,000 to cover the haulage cost for waste rock material to another permitted site. The Division requires that the Horizon reclamation bond be increased by January 28, 1999.

Please note that the permittee has an opportunity for an informal conference on the proposed bond adjustment. Please contact Vicki Bailey at 801-538-5304 within 5 working days to schedule such a conference if one is desired. If you have any questions, please call me at 801-538-5306.

Sincerely,

Mary Ann Wright
Associate Director, Mining

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cc:

Frontier Insurance Comapny
Larry Jones, Horizon Mining
Vicky Miller, EarthFax
Price Field Office

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